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OF COUNSEL  
WILLIAM G. CONLY

June 15, 2006

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Zone, LOGANSPOUT FIELD, DeSoto  
Parish, Louisiana.

Dear Sir:

PEOPLES ENERGY PRODUCTION-TEXAS, L.P. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Zone in the Logansport Field, DeSoto Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize one (1) additional alternate unit well for HOSS SUY, and four (4) additional alternate unit wells for HOSS SUGG, at the locations shown on the attached plat.
2. To approve an exception to the spacing provisions of Office of Conservation Order No. 28-S-4, effective July 22, 1981, for the location of any of the proposed alternate unit wells, as shown on the attached plat, which does not comply with these spacing provisions.
3. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the Hosston Zone underlying the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.
4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Hosston Zone in the Logansport Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 28-S, effective April 21, 1970.

Any pertinent data concerning this application will be available for inspection at the offices of Peoples Energy Production-Texas, L.P., 1301 McKinney, Suite 3200, Houston, Texas 77010. Any person wishing to inspect any such data should call Mr. Bradley J. Rome at (713) 890-

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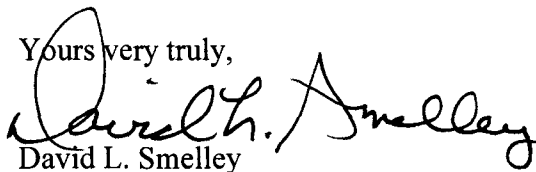
3652 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter and of the attached plat is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the attached plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Logansport Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,  
  
David L. Smelley

-- Attorney for Peoples Energy Production-Texas, L.P.

DLS:dp  
Enclosures

cc: Mr. Jim Broussard (w/encls.)  
Mr. Bradley J. Rome (w/encls.)  
Mr. Craig Barclay (w/encls.)  
Interested Owners, Represented  
Parties and Interested Parties (w/plat only)

